



State of Washington

DEPARTMENT OF FINANCIAL INSTITUTIONS

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Summary of Money Transmitter Regulations

Provided below is an overview of the regulations you must comply with when holding a money transmitter license in the state of Washington. This is not intended to be a comprehensive list of all applicable rules and regulations, but is meant to give new licensees an idea of the many aspects of compliance expected under this license type.

All licensees must know and comply with the law, RCW 19.230, and the rules that implement that law, WAC 208-690. Please read these requirements.

- ❖ For rules relating to the Responsible Individual, please take note of WAC 208-690-014(2).
 - The Responsible Individual must be a citizen of the United States or have legal immigration status to work in the United States, hold W-2 employee status with the licensee, and be responsible for the company's compliance with applicable state and federal laws, rules, and regulations.
- ❖ For the rules relating to Authorized Delegates, please take note of WAC 208-690-035.
 - Only a licensee may have Authorized Delegates (ADs). ADs must be physically located in the state of Washington unless otherwise authorized by the department. ADs must not advertise or provide money services under their own name without an equally prominent display of the licensee's name, in close proximity. The licensee and AD must have a written contract and the AD may only conduct activity authorized by that agreement.
- ❖ For surety bond or bond substitute purposes, please take note of WAC 208-690-040 and 208-690-045.
 - An adequate surety bond must be continuously maintained. The bond amount is calculated at \$10,000 for every one million dollars of Washington money transmission and payment instrument dollar volume. The minimum surety bond amount is \$10,000; the maximum is \$550,000. In lieu of the surety bond, a licensee may assign a certificate of deposit in favor of the director. The surety bond or alternative must be maintained for at least five years after the date the licensee ceases to provide money services in Washington or five years after the date of the licensee's violation of UMSA, whichever is longer. The director may permit a reduced or eliminated amount before the expiration of that time.
- ❖ For tangible net worth requirements, please take note of WAC 208-690-060.
 - Licensees must demonstrate and maintain a tangible net worth calculated at \$10,000 for every one million dollars of total company-wide money transmission and payment instrument dollar volume over the previous twelve months. The minimum tangible net worth is \$10,000; the maximum is three million dollars.
- ❖ For permissible investment purposes, please take note of WAC 208-690-085.
 - This rule requires compliance with RCW 19.230.200 and 19.230.210. Those sections outline the requirement to maintain, at all times, permissible investments that have a market value computed in accordance with generally accepted accounting principles of not less than the amount of the licensee's average outstanding money transmission liability.

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- ❖ For annual report and assessment purposes, please take note of [WAC 208-690-090](#) and [208-690-140](#).
 - Every licensee must submit a completed annual report and annual license assessment fee by July 1 or the next business day if July 1 is not a business day. Among other things, the annual report must include a copy of the licensee's most recent audited annual financial statement or, if the licensee is a wholly owned subsidiary of another corporation, the most recent audited consolidated annual financial statement of the parent company. The assessment fee is calculated based on the previous year's adjusted Washington volume of money transmission, currency exchange, stored value sale, and payment instrument sales. The minimum assessment is \$1,000; the maximum is \$100,000.
- ❖ For compliance with federal law, please take note of [WAC 208-690-014\(2\)](#) and [208-690-075](#).
 - The designated Responsible Individual is responsible for compliance with applicable federal laws, rules, and regulations. Note that licensees may be required to register as a money services business (MSB) under the Bank Secrecy Act. For Bank Secrecy Act requirements see Title 31 USC, Section 5311. A licensee who qualifies as a money services business under the Bank Secrecy Act must develop, implement, and maintain an effective anti-money laundering program consistent with federal law. More information can be found on [Fincen's website](#). In addition, records must be maintained in accordance with the Financial Recordkeeping and Reporting of Currency and Foreign Transactions, Title 31 CFR, Part 103.
- ❖ For information on filling out receipts, please take note of [WAC 208-690-200](#).
 - For money transmission transactions, receipts must include the licensee's name, address, and phone number in addition to the fee and exchange rate information required in [RCW 19.230.330](#).
 - For stored value transactions, receipts may include the name, address, and telephone number of the AD as long as the contact information for the licensee is provided in or on the stored value device or its packaging.
 - For bill payment transactions, the receipt may include the name, address, and telephone number of the AD as long as the licensee's information is also on the receipt.

The Department will ensure compliance with all regulations by conducting periodic examinations, as authorized under [WAC 208-690-180](#). You must pay for examinations at the rate of \$75 an hour (plus travel expenses when the examination occurs out-of-state) as outlined in [WAC 208-690-170](#).

If you have any questions regarding the Washington Uniform Money Services Act referenced above, please feel free to contact the Washington DFI Consumer Services Division at (360) 902-8703, or DCS@dfi.wa.gov.